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RUEKJCS/OSD WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC
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DEPT FOR SCA/FO, SCA/A, S/CR, SCA/PAB, S/CT, EUR/RPM
STATE PASS TO USAID FOR AID/ANE
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E.O. 12958: N/A

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SUBJECT: PRT/QAL-E NOW: LET THERE BE LIGHT

11. (SBU) SUMMARY: Badghis Province's Energy Department is currently providing five hours of electricity a day to the city center. When the Spanish-provided generator comes back online, it will be able to power an energy grid that encompasses 95% of the city. The system, which includes over 1,460 meters of power lines and has 840 registered users, is a major sign of the local leadership's efforts to provide basic services to the community. Recent problems with the Spanish-provided generator underlined the fragility of the system but provided members of the PRT with the opportunity to mentor provincial leadership and improve their ability to handle administrative problems. The head of the Energy Department recently informed PRToff that a plan to purchase energy from Turkmenistan had been approved and funded. The proposed power line from Turkmenistan would plug into Qal-e Now's existing power grid and eventually provide electricity to 3 of the province's 7 districts. END SUMMARY.

Spanish Generator Powers City's Electrical Grid

12. The development of the existing power grid was made possible by the Spanish PRT's donation of a 320 kilowatt generator. The city's electrical system operates 5 hours a day and consists of the Spanish generator that is currently down for repairs, three much smaller backup generators, an underground 10,000 liter fuel tank, 1,460 meters of power lines, and over 840 registered users. The electrical grid is capable of reaching 95% of the city, but without the Spanish generator, power is limited to the city center. The provincial head of the Energy Department, Jaji Said Abdullah, has plans to bring power to all of the estimated 1,500 people who have thus far requested to be hooked-up to the power grid, but first he must grapple with infrastructure and administrative issues that are often completely new to local residents.

Infrastructural Problems Impede Electricity Delivery

13. (SBU) So far, Abdullah, who has worked in the Department for 25 years, seems much more able to identify and address infrastructural shortcomings than administrative capacity issues. One of the system's greatest infrastructural weaknesses is power loss. Abdullah acknowledges that due to a lack of equipment, poor-quality power lines, and inaccurate meter boxes his agency loses an estimated 25% of the power it generates. He hopes to reduce this loss significantly by replacing all the existing power lines with higher quality lines, but stated that to date they have replaced only 130 meters of cable.

14. (U) A second infrastructural weakness inherent in the system is its dependence on the Spanish generator, which in turn is dependent on parts shipped from Spain. When the main generator is off-line, the system suffers a drastic reduction in power generating capacity. Equally important, power generated from the backup generators can cost more than twice as much as that generated by the Spanish equipment. According to Abdullah, the solution to dependence on the Spanish generator may well come from Turkmenistan.

Turkmenistan To Help Infrastructure

15. Abdullah informed PRToff that a five-man team from Turkmenistan had recently surveyed the province to determine the feasibility of delivering electricity to Qal-e Now. He stated that Turkmenistan would fund the installation of the power line to the border and that the World Bank would provide the \$10,000,000 (US) needed to install a power line from the border to Qal-e Now. This proposal is a third of the cost of a prior proposal, but bypasses the main

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population centers of two districts. According to Abdullah, the province will build a power transfer station near Qal-e Now that will be capable of providing electricity to three of the province's seven districts. A local member of the Spanish Agency for International Development stated that his sources had also indicated that this project was going to happen and opined that it could be up and running in as little as one-year. When completed, this system will plug into the existing Qal-e Now power grid and provide power at a much reduced rate. The Spanish generator will then serve as a vital backup for the city.

Confused Billing Process Impedes Payments

16. (SBU) Administratively, the department has a way to go. Abdullah is very proud that all of the department's finances are in order and all payments are deposited in the local bank by consumers. According to Abdullah, since the start of operations in late-May, the Energy Department has taken in 667,706 Afghanis versus 634,235 in total expense (\$1 equals 49.9 AF). These numbers do not include payment for services from August 6 to October 1, or outstanding balances from several NGOs that have reportedly never been billed. If these figures are accurate, the company appears to be operating on a cost-recovery basis, notwithstanding the large donations of diesel from the PRT. Even if the Department is operating in the black, there is ample confusion about the billing process, the length of the billing cycle, and the rate charged consumers. Together these have caused some local uproar.

17. (SBU) During an October 1 Provincial Development meeting, several NGOs complained that, after five months of receiving service, they had not yet received a bill. In response, Abdullah claimed that he was some 20 days late in processing the latest billing cycle because he did not know what to charge customers per kilowatt/hour. On October 3, at the request of the Governor, PRToff and the PRT S5 Officer joined Abdullah, the head of Rural Development, and the Deputy Head of Economy to sort out the billing problem. Abdullah

explained that the large operational cost increases associated with the Spanish generator being out of service had prevented him from issuing the bills. He did not want to send out bills indicating a drastically increased rate on his own authority, he said. After some discussion, the group agreed upon the need to provide bills in a timely manner and charge a more or less consistent price to improve customer confidence. The S5 then assured the group that the generator would be on line in a few days and that the PRT would donate 4,000 liters of diesel to offset the increased costs caused by the breakdown. With this news the group quickly agreed to keep the old price. The crisis was averted, but the question remains as to why the NGOs have not received the prior bills.

18. (SBU) The Energy Department's system for billing is to have customers come to the department's office to pickup their bill. Abdullah explained that the police visited those who did not pay their bills to encourage them to do so. He stressed that the bills were paid at the bank so that none of his staff ever handled the money. Regarding the NGOs, Abdullah stated that he had confidence the NGOs would pay their bills so they had never followed up with them. When PRToff asked how people were supposed to know to come get their bill before the ANP knocked on their door, there was no answer. PRToff suggested that when the employee read each meter he provide the consumer with a note indicating it was time to come to the Energy Department to pay the bill. Abdullah was grateful for the suggestion and promised to look into it.

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Comment

19. (SBU) Currently the lights are on in the center of Qal-e Now. When the Spanish generator comes back online, the power grid will once again extend to 95% of the city. By continuing to offer resource support as needed and advice on administrative issues, the PRT is helping those responsible for this service to continue to meet the expectations of the citizens. As long as the generator continues to function, Abdullah and his team seem able to provide power at a consistent cost to the residents of Qal-e Now.

110. (SBU) The current system is not a viable answer to the city's long-term energy needs, but it is providing a vital symbol of progress to the populace until the Turkmenistan power project is completed. When the new power system comes online the members of the Energy Department will hopefully have developed the experience needed to handle the technical and administrative challenges that extending the power grid to three districts will present. However, the meeting with Abdullah indicated that his focus was more on creating a billing system that insulated himself and his department from accusations of malfeasance than one that functioned smoothly.

By working closely with Abdullah and his staff, the PRT can assist the local administration to develop not only a working electrical system, but a functioning local government as well. END COMMENT.

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